

**MINUTES  
REGULAR MEETING  
UTILITY SERVICE BOARD  
FEBRUARY 16, 2009**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, February 16, 2009.

The meeting was called to order by Chairman Alex Emmons.

**UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:**

Alex Emmons – Chairman  
Wayne Schuetter – Vice Chairman  
Rick Stradtner - Secretary  
Doug Schulte – Water Commissioner  
Mike Harder – Wastewater Commissioner  
Greg A. Krodel – Gas Commissioner  
Ken Sendelweck – Electric Commissioner

**ALSO PRESENT:**

Jerry Schitter – Electric Distribution Manager  
Windell Toby – Electric Generation Manager  
Michael A. Oeding – Gas & Water Manager  
Ed Hollinden – Wastewater Manager  
Bud Hauersperger – General Manager  
Sandy Hemmerlein – City Attorney

**PLEDGE OF ALLEGIANCE** (A-18)

Chairman Alex Emmons led the Pledge of Allegiance.

**QUOTE OPENING: DIGGER DERRICK TRUCK – ELEC. DISTRIBUTION** (A-28)

Sandy Hemmerlein opened the quotes and read them aloud as follows:

1.	Terex Utilities	\$240,592.00	
	White House, TN	- 1,000.00	trade-in
		\$239,592.00	

The quote included a non-collusion affidavit.

2.	Altec Industries, Inc.	\$222,571.00	
	Indianapolis, IN	- 1,500.00	trade-in
		\$221,071.00	

The quote included a non-collusion affidavit.

3.	Sternberg International	\$242,091.53	
	Jasper, IN	<u>- 2,000.00</u>	trade-in
		\$240,091.53	

The quote included a non-collusion affidavit.

Ken Sendelweck made a motion to take the quotes under advisement. Mike Harder seconded the motion. Motion approved, 7-0.

**QUOTE OPENING: LOADER BACKHOE – ELEC. DISTRIBUTION** (A-106)

Sandy Hemmerlein opened the quotes and read them aloud as follows:

1.	Hopf Equipment	\$75,710.00	
	Huntingburg, IN	<u>-63,169.00</u>	trade-in
		\$12,541.00	

The quote included a non-collusion affidavit.

2.	K & W Equipment	\$78,750.00	
	Evansville, IN	<u>-54,750.00</u>	trade-in
		\$24,000.00	

The quote included a non-collusion affidavit.

3.	Wayne Supply	\$74,143.42	
	Evansville, IN	<u>-35,000.00</u>	trade-in
		\$39,143.42	

The quote included a non-collusion affidavit.

Jerry Schitter stated that if the low quote met the specifications, he would like to go ahead and order the loader backhoe. Greg Krodel made a motion to accept the low quote from Hopf Equipment for \$12,541.00, if it meets the specifications. Wayne Schuetter seconded the motion. Motion approved, 7-0.

**QUOTE OPENING: TWO LIFTSTATION GENERATORS – WASTEWATER** (A-176)

Sandy Hemmerlein opened the quotes and read them aloud as follows:

1.	Cummins Crosspoint, LLC	\$44,300.08	
	Evansville, IN		

The quote included a non-collusion affidavit.

2.	EVAPAR	\$40,995.00	
	Evansville, IN		

The quote included a non-collusion affidavit.

Sandy Hemmerlein stated that a third quote was requested from Whayne Supply but they did not submit a quotation. Doug Schulte made a motion to take the quotes under advisement. Rick Stradtner seconded the motion. Motion approved, 7-0.

**BID OPENING: DRYING BEDS – WASTEWATER** (A-228)

Sandy Hemmerlein opened the bids and read them aloud as follows:

1. Sendelweck Construction \$72,700.00  
Jasper, IN

The quote included a Form 96, non-collusion affidavit, and cashier's check.

2. Streicher Construction \$67,729.00  
Jasper, IN

The quote included a Form 96, non-collusion affidavit, and bid bond.

3. Craftsman Construction \$75,000.00  
Huntingburg, IN

The quote included a Form 96, non-collusion affidavit, and bid bond.

Wayne Schuetter made a motion to take the bids under advisement and have Chad Hurm, City Engineer, review them. Mike Harder seconded the motion. Motion approved, 7-0.

**APPROVAL OF MINUTES** (A-278)

Chairman Alex Emmons presented the minutes of the January 19, 2009, Regular Meeting and asked if there were any corrections or amendments.

Mike Oeding stated that he misspoke when he gave the results from the bid opening for the Church Avenue Water Main Project last month. He said he explained the project correctly, but did not do the math correctly. Using flowable fill was already included in the base price from Messmer Mechanical and did not have to have the \$10,000 added on to the base price for this. Oeding stated the total price he gave last month was \$10,000 higher than it should have been.

January 19, 2009 Regular Meeting: Page 3 under the heading "Results from Bid Opening – Church Ave. Water Main Project" should be corrected to read "The base price for the project is \$163,715 to use flowable fill instead of rock, with a deduction of \$30,000 to do the mains existing service taps ourselves. The price of the project would be \$133,715 from Messmer Mechanical."

Sandy Hemmerlein stated a contract has already been signed with Messmer Mechanical for the correct price of \$133,715 since Mike had described the project correctly and the price was actually less than what was approved at last month's meeting.

Doug Schulte made a motion to approve the minutes of the January 19, 2009, Regular Meeting as corrected. Wayne Schuetter seconded the motion. Motion approved, 7-0.

### **UPDATE FROM THE ICE STORM** (A-351)

Jerry Schitter stated that the Electric Distribution system held up very well during the ice storm on January 27<sup>th</sup>. Half of his crew was brought in for trees falling on house drops and to clear some trees from lines. They only lost one circuit for 1.5 hours in the Holy Family area.

The Electric Distribution Department also assisted Huntingburg, Dubois REC, and Vectren in Evansville with problems in their areas. We will be reimbursed for costs associated with assisting these other utilities.

There were also no outages from the wind that came through after the ice storm. There was a limb on a line in the Precious Blood area and a couple of trees on Giesler Road that fell on house drops.

### **REPORT ON STATUS OF POWER PLANT** (A-399)

Windell Toby reported that the Power Plant was shut back down on February 7<sup>th</sup> due to the warmer weather. The plant ran from January 27<sup>th</sup> to February 7<sup>th</sup>. Electric Generation employees are assisting in the Gas and Water and Wastewater Departments while the Power Plant is shut down.

### **ELECTRIC PLANNING COMMITTEE REPORT** (A-415)

Ken Sendelweck, Chairman of the Electric Planning Committee, stated the committee met on February 12<sup>th</sup> to discuss the capacity payment agreement, power plant results from 2008, and proposed changes to customer policies.

MISO will start making capacity payments for generating plants. The capacity payments will come through IMPA and an agreement needs to be signed by 2/26/09, if Jasper wants to receive the payments. Per IMPA's estimates, Jasper should receive \$26,000 per month. The requirements are that the Power Plant has to run if MISO tells us to. There will also be penalties if we don't run when MISO directs us to, except for force majeure, equipment failures, etc. The intent of the agreement is to run year to year, from 6/1/09 to 5/31/10 being the first year. Jasper would have to inform IMPA by January 1, 2010 if we are not planning to run the Power Plant for 6/1/10 through 5/31/11, in order to get out of this agreement and avoid penalties.

The committee feels like it has no choice but to recommend the Common Council sign the agreement for the first year from 6/1/09 to 5/31/10, to help offset some of the losses at the Power Plant. The Council has to sign the agreement since they were the original signatories when the City joined IMPA in 2008. Ken Sendelweck made a motion to recommend the Common Council sign the Resolution allowing the Mayor to sign the amendment to the original capacity agreement with IMPA. Doug Schulte seconded the motion. Motion approved, 7-0.

As part of the previous discussion, the Committee also reviewed the Power Plant results from 2008. While the Electric Department as a whole has been showing a profit, the Generation Department has been showing a loss which has been offset by the Distribution Department. The Committee decided they would need professional help to do an economic value assessment of the Power Plant. The Committee directed Bud Hauersperger to obtain proposals from several firms to help with the decision making process on the Power Plant. The Committee wants an

assessment done by the fall so that would allow enough time to make a decision on the Power Plant before the January 1<sup>st</sup> deadline to get out of the Capacity Payment Agreement with IMPA for 6/1/10 to 5/31/11.

Jerry Schitter then stated that FERC (Federal Energy Regulation Commission) is now allowing industrial and larger commercial businesses to obtain interruptible rates directly from MISO, no matter who their supplier is. They want these customers to become more energy conscious. This means that Jasper Municipal Utilities could lose some large customers. IMPA informed us of this ruling and stated that first an Ordinance has to be passed to state that a customer cannot leave Jasper Municipal Utilities for MISO. An interruptible rate has to be put into the Electric Rate Ordinance and a demand response program must be developed and offered to customers to participate in.

Sandy Hemmerlein presented Resolution #USB 2009-1, which would recommend to the Common Council to adopt the Ordinance that would prohibit direct retail customers from participating in demand response programs from MISO. Ken Sendelweck made a motion to approve Resolution #USB 2009-1. Mike Harder seconded the motion. Motion approved, 7-0.

Ken Sendelweck then stated that a Net Metering Ordinance was discussed but tabled for the need of more research needing to be done.

Sendelweck then presented Resolution #USB 2009-2, which would recommend to the Common Council to update the customer rules, regulations and non-recurring charges Ordinance. One update would increase reconnection fees to \$50 during business hours and \$100 after business hours. It will also charge a fee anytime a reconnection is requested, even if from a landlord, who was not charged in the past. Billing adjustments are also addressed for the first time in Ordinance form. Deposit requirements during a bankruptcy were also adjusted to mirror the bankruptcy laws.

Ken Sendelweck made a motion to approve Resolution #USB 2009-2. Rick Stradtner seconded the motion. Motion approved, 7-0.

### **CHURCH AVE. PROJECT READY TO START** (A2-9)

Mike Oeding informed the Board that the Church Avenue project got under way today. The first tap was made on Giesler Road and they will start laying pipe tomorrow.

### **GAS PLANNING COMMITTEE REPORT** (A2-17)

Greg Krodel, Chairman of the Gas Planning Committee, stated the committee did not meet during the past month.

### **WATER PLANNING COMMITTEE REPORT** (A2-20)

Doug Schulte, Chairman of the Water Planning Committee, stated the committee did not meet during the past month.

### **PERMISSION TO PURCHASE CAMERA** (A2-23)

Ed Hollinden asked the Board for permission to purchase the push camera on his capital expenditure plan at the upcoming Louisville Pumper and Cleaner show, if it can be purchased at a substantial savings from previous estimates. Hollinden would then report back at the next meeting with the results.

Sandy Hemmerlein stated that this would be a special purchasing method, which is allowed under the State law.

Hollinden estimated a savings of up to 20%.

Mike Harder made a motion to allow Ed Hollinden to proceed with this special purchasing method. Rick Stradtner seconded the motion. Motion approved, 7-0.

### **ICE STORM UPDATE** (A2-69)

Ed Hollinden also mentioned that during the recent ice storm, two of the lift station generators were needed and used. In the Dubois REC territory, one lift station generator ran for 16 hours and the other ran for 5 hours.

### **WASTEWATER PLANNING COMMITTEE REPORT** (A2-82)

Mike Harder, Chairman of the Wastewater Planning Committee, stated the committee met on February 11<sup>th</sup> to discuss inflow and infiltration concerns in the Holy Family area.

The Wastewater Department did some testing on the west end of Terrace Avenue. This area consists of 23 homes. If all of these residences were to sell their homes today, 16 of the 23 homes would fail a sewer inspection, which is required by City Ordinance before a home is sold. Five of these homes have direct or indirect inflow from downspouts, which should be going into the storm sewer instead of the sanitary sewer. The lift station has trouble keeping up during periods of rain in this area.

Hollinden is researching ways to alleviate this problem. The Committee suggested that Hollinden redirect the \$100,000 in the capital expenditure plan for 2009 for sewer relining to try and correct the inflow and infiltration problems as a “test run” or “study”, at his discretion.

Hollinden said the sewer relining program was instated to help some of these problem areas. The Wastewater Department is now finding that sewer relining does not eliminate the entire problem in these areas and that inflow and infiltration is still an issue.

When a sewer is relined, a pipe is basically installed inside the existing clay pipe. They have to go back through and cut a hole in the liner and re-instate the lateral lines. They have found that water leaks through cracks all along the existing clay pipe and runs along the outside of the host pipe until it reaches the lateral lines, where it can “leak” into the host pipe. They could fix this problem by breaking the clay pipe and tapping onto the liner with a saddle to make a solid connection. The customers with illegal connections will also be contacted to fix their problems at their expense.

Mike Harder made a motion to redirect the \$100,000 for sewer relining to try and correct the inflow and infiltration problems on Terrace Avenue as a test run at Ed Hollinden's discretion. Hollinden will come back to the Board once he figures out what his project will entail. Ken Sendelweck seconded the motion. Motion approved, 7-0.

**FINANCE COMMITTEE REPORT & PRESENTATION OF CLAIM DOCKET** (A2-315)

Rick Stradtner reported the Finance Committee had met and reviewed the claims on the Claim Docket.

The Finance Committee recommended approval of the claims as presented.

Greg Krodel made a motion to approve the claims as presented. Wayne Schuetter seconded the motion. Motion approved, 7-0.

There being no further business to come before the Board, the meeting was adjourned at 8:18 PM upon motion by Wayne Schuetter and second by Mike Harder. Motion approved, 7-0.

The minutes were hereby approved \_\_\_\_\_ with \_\_\_\_\_ without corrections this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

Attest: \_\_\_\_\_  
Secretary Chairman